

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6711

BILL NUMBER: HB 1403

DATE PREPARED: Feb 5, 2002

BILL AMENDED: Jan 31, 2002

SUBJECT: Physician and Nurse Continuing Education; Physician Delegated Prescriptive Authority.

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FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) *Physician and Nurse Continuing Education*- This bill requires the Medical Licensing Board and the State Board of Nursing to adopt rules requiring physicians and nurses to report on license renewal forms any continuing education hours completed during the license renewal period. It also allows for random audits for verification of continuing education hours reported by physicians and nurses.

Expiration Notification- It requires the Health Professions Bureau, when notifying holders of licenses of the need to renew licenses, to include notification of the need to pay renewal fees. It also provides that an application for a license, certificate, registration, or permit is abandoned if the applicant does not complete the requirements for the application within one (1) year unless the applicant shows good cause for the delay.

Physician Delegated Prescriptive Authority- The bill also authorizes: (1) a physician to delegate prescribing privileges to a physician assistant; and (2) a physician assistant to prescribe legend drugs. It restricts a physician assistant from prescribing, administering, or monitoring general anesthesia, regional block anesthesia, or deep sedation unless certain conditions are met.

Effective Date: July 1, 2002.

Explanation of State Expenditures: (Revised) *Physician and Nurse Continuing Education*- This bill could increase expenditures of the Health Professions Bureau (HPB). The amount of the increase is unknown and dependent on how the agency notifies license holders of the requirements of this bill, and any additional meetings by the Medical Licensing Board to adopt rules for the reporting of continuing education on renewal forms that are necessary.

This bill allows the Health Professions Board to randomly audit between 1% and 10% of the practitioners who report continuing education hours on the license renewal form. To implement an audit, the Health Professions Bureau indicates that it would need to do the following: create a random audit list, notify the

selected practitioners by certified mail, review the verification of completion and send follow-up correspondence to those who are either in or out of compliance. The added cost of postage (the cost of certified mail is \$2.97) and stationery would depend on the size of the audit sample.

Expiration Notification- Currently, the HPB is required to send a notice of expiration to certificate and license holders along with renewal forms. This bill provides that the HPB would not have to send renewal forms with the notices, but would be required to include the renewal fee requirement, which could incur minimal administrative expenses.

Physician Delegated Prescriptive Authority- The Health Professions Bureau oversees the state regulation of physician assistants. The Bureau could incur additional expenses if physician assistants are granted prescriptive authority. The promulgation of rules related to this bill is expected to require the Bureau's Physician Assistant Committee to meet monthly in FY 2003 and bimonthly in FY 2004. (The Committee currently meets quarterly.) The Bureau may also experience an increase in telephone inquiries about the proposed changes. The bill will also require the Bureau to discard current controlled substance registration (CSR) applications and create new applications to include physician assistants. The total estimated costs associated with licensing physician assistants and allowing prescriptive authority for FY 2003 and FY 2004 are shown below.

<u>Expense</u>	<u>FY2003</u>	<u>FY2004</u>
Per Diem	\$ 3,000	\$ 1,500
Travel	\$ 9,500	\$ 4,750
Printing	\$ 2,000	\$ 1,000
Postage	\$ 2,000	\$ 1,000
Telephone	\$ 750	\$ 750
<u>Supplies</u>	<u>\$ 750</u>	<u>\$ 750</u>
TOTAL	\$18,000	\$ 9,750

Background Information: As of January 2002, the HPB employed 54 authorized full-time staff members with 4 vacancies. With respect to General Fund reversions, the Bureau reverted \$177,982 in FY 2000 and \$50,119 in FY 2001. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Explanation of State Revenues: (Revised) *Physician and Nurse Continuing Education-* The provisions of this bill could affect revenue collected from license fees of health professionals if the modifications change the number of individuals who qualify for licenses. It is estimated that the overall impact will be minimal. In FY 2001, approximately \$1.4 M in revenue was collected from physicians and nurses for licenses and other fees. License fees collected are deposited in the state General Fund.

Physician Delegated Prescriptive Authority- The proposal may affect the number of new applications and the amount of renewal fees the Bureau collects. The specific impact, however, is indeterminable. As of December 31, 2000, there were 288 certified physician assistants in Indiana. The cost for an initial application is \$30, and the cost to renew the certificate is \$20 biennially. Revenue collected from the physician assistant application and renewal fees in FY 2000 equaled \$7,105. These fees are deposited in the State General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Health Professions Bureau.

Local Agencies Affected:

Information Sources: Barb McNutt, Health Professions Bureau, (317) 233-4406.